

**The Church of Jesus Christ of Latter-day Saints (Great Britain)  
(An unlimited company and registered charity)**

**Annual report and financial statements**

**Year ended 31 December 2008**

**Company number: 699764**

**Charity number: 242451**

**The Church of Jesus Christ of Latter-day Saints (Great Britain)**

**Index to Annual report and financial statements**

**Year ended 31 December 2008**

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**The Church of Jesus Christ of Latter-day Saints (Great Britain)**

**Report of the trustees for the year ended 31<sup>st</sup> December 2008**

The trustees are pleased to present their report together with the audited financial statements of the charity for the year ending 31<sup>st</sup> December 2008.

**Legal and administrative details**

Charity number: 242451

Company number: 699764

Principal office and registered office: 751 Warwick Road, Solihull, West Midlands, B91 3DQ

Auditors: Pricewaterhouse Coopers LLP  
Donnington Court, Pegasus Business Park,  
Castle Donnington, East Midlands, DE74 2UZ

Bankers: HSBC  
34 Poplar Road, Solihull, West Midlands, B91 3AF

Bank of America  
26 Elmfield Road, Bromley, Kent, BR1 1WA

Solicitors: Devonshires  
Salisbury House, London Wall, London, EC2M 5QY

**Directors, trustees and senior management:**

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees serving during the year and subsequent to the year end and up to the date of signing the report were as follows:

Terry Joe Spallino Resigned 18 August 2008

Clive Richard Jolliffe Resigned 18 August 2008

Robert John Mulligan

Gregory William Reeves Appointed 18 August 2008

Rainer Herbert Gottlieb Wiborny Appointed 18 August 2008

None of the directors have qualifying third-party indemnity insurance.

**Area controller**

Brad Barlow, who replaced Jonathan Berry in November 2008.

**The Church of Jesus Christ of Latter-day Saints (Great Britain)**

**Report of the trustees for the year ended 31<sup>st</sup> December 2008 (continued)**

**Structure, governance and management**

**Governing document**

The Church of Jesus Christ of Latter-day Saints (Great Britain) is an unlimited company and a registered charity. The Charity is governed by its Memorandum and Articles of Association.

**Appointment of trustees**

As set out in the Articles of Association, new or additional directors (trustees) are to be appointed by the shareholder (Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints), providing such persons are willing so to act either to fill a vacancy or as an additional trustee.

The shareholder will also determine the rotation and time in which trustees are to retire. Currently no term is fixed to the term served. Trustees shall not be less than two or more than seven in number.

The shareholder may, from time to time, vary the minimum or maximum number of directors (trustees).

**Trustee induction and training**

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity.

During the induction day they meet key employees and other trustees. Trustees are updated and advised on legal issues by Devonshires solicitors.

**Organisation**

The parent organisation of the charity, The Church of Jesus Christ of Latter-day Saints, is directed by the First Presidency supported by The Quorum of the Twelve Apostles and various quorums of the Seventy. Members of these quorums are called General or Area Authorities, three of whom will be assigned to serve as an Area Presidency within a specific geographic area.

Throughout the world a number of Area Presidencies are assigned to administer the day to day affairs of the Church on behalf of the First Presidency. One of these Area Presidencies is based in Frankfurt, Germany and has the responsibility for the administration and operation of the Church in Europe. The Europe Area Presidency provides ecclesiastical direction for the Church in Europe and oversees the Church's lay ministry.

Ecclesiastical direction is channelled to the charity via the shareholder (Corporation of the Presiding Bishop) and is reflected in the various department budget requests which are reviewed by the trustees annually prior to them being submitted to Church headquarters for approval.

Within this framework, the board of trustees administers the affairs of the charity. The board meets at least twice a year. Department heads submit reports and budget requests to the trustees for approval in or around October each year. In or around March each year department heads report to the trustees on the prior year's financial performance and achievements.

**The Church of Jesus Christ of Latter-day Saints (Great Britain)**

**Report of the trustees for the year ended 31<sup>st</sup> December 2008 (continued)**

**Structure, governance and management (continued)**

In addition, the trustees monitor progress and achievements throughout the year and other trustee meetings are held as necessary.

**Employees**

The charity has the policy of ensuring that its employees are those that are able to meet the necessary requirements of their position and are up to date on any developments required for their position. This is achieved in a variety of ways:

- Applications for new positions in the charity are invited from anyone with the relevant qualifications. The key selection emphasis is on the applicants ability to meet the requirements of the position with reference to qualifications and prior experience. In December 2008 the charity initiated a hiring freeze with the result that resigning or retiring staff would no longer be automatically replaced. In the future, whenever a vacancy does need to be filled, preference will be given to selecting from existing employees based on their experience and relevant qualifications. Only in exceptional circumstances is it expected that new external hires will be considered for needed vacant positions.
- The charity utilises regular staff meetings during the year which help to ensure that the employees' input is received regarding any decisions which affect their interests. In addition, there are websites and e-mail facilities available to enable more effective communication and training. This helps to ensure that employees receive systematic updates on matters concerning them as employees and ensures their involvement in relation to the financial and economic factors that affect the performance of the charity.
- In addition to the above points, the charity is mindful of the need to cater for those with illness, medical conditions or disabilities. Applicants for new positions in the charity are requested to provide information the employer would need to be aware of in order to make reasonable adjustments should they be successful.
- In addition to the above points the charity is mindful of the need to cater for those with disabilities. Where any employees become incapacitated during their employment they are entitled to receive long term disability benefits from the charity. Where an employee becomes disabled but not incapacitated the employer will make any reasonable adjustments necessary. On training and career development issues, there is no distinction made between disabled and non-disabled employees. The same opportunities are available to all staff, irrespective of disability. The key emphasis is on the technical ability of each employee.

**Related parties**

The charity has a close relationship with its sister charity The Church of Jesus Christ of Latter-day Saints (Welfare) Limited. There is regular cooperation between the charities.

In addition, the charity has also been dealing with another fellow subsidiary, The Church of Jesus Christ of Latter-day Saints (European Distribution) Limited (EDL). EDL is primarily responsible for the

**The Church of Jesus Christ of Latter-day Saints (Great Britain)**

**Report of the trustees for the year ended 31<sup>st</sup> December 2008 (continued)**

**Structure, governance and management (continued)**

provision of religious educational material regarding the Church and in this role it supplies such material to the charity.

**Principal risks and uncertainties**

The main risk the charity faces is that it relies on donations from members and parent company donations to finance its charitable activities. However, the parent company has guaranteed its future financial support, where necessary, to ensure that the charity has sufficient reserves to meet the costs of its charitable activities.

**Financial risk and management**

The following statements summarise the charity's policy in managing identified forms of financial risk:

- Price risk – salary costs are communicated to staff during the formal annual review of salaries. Prices of materials purchased are subject to contracts with suppliers, based on current market prices.
- Credit risk – Credit risk on amounts owed to the charity by its customers is low as the majority of its debtors have been contracted with frequently by the charity in the past and have a proven reliability.
- Liquidity risk – The charity has no long-term borrowings. Assurances of continuing financial support have been received from the parent company.
- Interest rate cash flow risk – The charity is able to place surplus funds on short term deposit with the company's bankers.

The trustees have a risk management strategy which encompasses:

- an annual review of the risks the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the strategy; and
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

**Objectives and principal activities**

We have the general aim of assisting the Church of Jesus Christ of Latter-day Saints ("The Church") to grow its membership and to provide facilities for them and to reach out and work with and provide services to the wider community. We assist members of The Church and others in need of religious assistance or in conditions of need, hardship, sickness or distress.

**The Church of Jesus Christ of Latter-day Saints (Great Britain)**

**Report of the trustees for the year ended 31<sup>st</sup> December 2008 (continued)**

**Objectives and principal activities (continued)**

The object of the charity is:

To promote and further the religious and other charitable work of The Church of Jesus Christ of Latter-day Saints in the United Kingdom and elsewhere.

The charity achieves this in the following ways:

**Provision of facilities for religious worship**

One of the primary objectives of the charity is to provide temples and meetinghouses to enable religious worship to be undertaken by members of the Church and others. Worship services are held each Sunday in meetinghouses. We work closely with The Church of Jesus Christ of Latter-day Saints (Welfare) Limited which has the responsibility of building new meetinghouses.

**Religious education**

Worship services are held each Sunday in meetinghouses whereby members and non-members are invited to attend and learn about Jesus Christ and how adopting his teachings benefits all. These services are open to the public. Various other meetings are held throughout the rest of the week.

The smallest congregation in the Church is a Branch. Larger congregations are called Wards. All members of the Church belong to a designated Branch or Ward. Groups of Branches and Wards are called Districts or Stakes. These are created to facilitate the administration of the Church.

The Church has no paid ministry and thus local members fill leadership positions. Men and women volunteer their time to serve in whatever position they are called.

Ecclesiastical functions in the various congregations are carried out on a volunteer basis. Administrative support and ecclesiastical direction is provided from the Church's headquarters in Frankfurt, Germany (from August 2008). Prior to August 2008 ecclesiastical direct and administrative support had been provided from Solihull in the West Midlands.

**Religious materials**

We continue to supply certain religious materials at no charge to members of the Church and others to help them in their Church work and to improve their learning. Magazines and other religious training materials are also contained on the Church's United Kingdom and worldwide websites ([www.lds.org](http://www.lds.org) and [www.lds.org.uk](http://www.lds.org.uk)).

**Missionary work**

A key objective is missionary work and we assist in the funding of missionary activities in the United Kingdom. Missionaries will teach people about the Church and also undertake service projects in the local community.

**The Church of Jesus Christ of Latter-day Saints (Great Britain)**

**Report of the trustees for the year ended 31<sup>st</sup> December 2008 (continued)**

**Objectives and activities (continued)**

**Genealogy**

The Church places great religious significance on tracing family history. Within the community there is also a wide interest in genealogy. We continue to be committed to improving facilities within our family history centres throughout the United Kingdom and Ireland. Upon request, we also make available microfilm and microfiche records from the extensive libraries held by the Church.

**Work in the community**

We encourage members of the Church to become actively involved in their local community and provide training materials to assist with this. We also arrange a 'National Helping Hands Day' where members of each Ward and Branch perform pre-arranged service in the community.

**Public Affairs**

The Church has undertaken certain public affairs projects during the year to ensure that the general public has a clear understanding of what the Church teachings stand for.

**Achievements and performance**

**Buildings**

Church membership in Great Britain stood at 183,672 at 31 December 2008. At year end there were 45 stakes and no districts, comprising 278 wards and 58 branches.

At year end 2008 the charity owned 279 meetinghouses accommodating 311 wards and branches. For those congregations not yet qualifying for a purpose built meetinghouse, facilities were either leased or rented to accommodate such units of the Church. During 2008 the charity leased or rented 44 premises to house an equal number of wards and branches that do not yet qualify for their own meetinghouse.

The charity works closely with The Church of Jesus Christ of Latter-Day Saints (Welfare) Limited which has the responsibility of building new meetinghouses.

During 2008 two meetinghouses were extended at a total cost of £527,000. These extensions were required to more adequately house the growing congregations. No new sites were purchased in 2008 and no meetinghouse construction projects were completed.

In the early part of 2008 the design and planning of two needed meetinghouse projects were commenced – a new meetinghouse for the Congleton Ward and a replacement of the badly fire damaged Runcorn meetinghouse. These two projects will cost £3,716,000.

Also, the design and planning of three meetinghouse extension projects were started during 2008 and all three projects are due to be completed in early 2009. These projects are; Plymouth (£575,000), Doncaster (£265,000) and Derby (£504,000).

**The Church of Jesus Christ of Latter-day Saints (Great Britain)**

**Report of the trustees for the year ended 31<sup>st</sup> December 2008 (continued)**

**Achievements and performance (continued)**

**Missionary work**

During 2008 there were 2,059 convert baptisms in Great Britain. This represents a 12% increase in the number of convert baptisms year on year. The charity continues to assist with the funding of missionary programmes.

All of the missions in Great Britain and Ireland were audited internally during 2008. No major issues or concerns were discovered and recommendations were given to the Mission President and financial secretary on financial management and best practice at the conclusions of each audit visit.

Overall, the missionary programme for 2008 finished within budget.

**Family history**

Family history research (researching genealogy) has become a major interest and hobby for many people and it is estimated revealing that in excess of 10 million individuals have used the Internet in an attempt to learn more about the origins of their family. For members of the Church, family history research is a tenet of their faith and access is available to the world's largest free genealogy library where more than 20 billion records can be studied.

In Great Britain and Ireland the charity had 123 operating family history centres operating at year end 2008. These research facilities are used extensively by members of the public and, of the 93,720 patrons using these facilities in the course of the year, 73% were not members of the Church.

There are no paid staff in family history centres and during 2008 it required a total of 39,709 hours of volunteer service to meet patron demands for access to the records that are available. Overwhelmingly, the majority of volunteer hours came from members of the Church (approximately 90% of the volunteer hours).

One of the aims of family history is to deliver more records, to more people, and faster, by providing timely access to the broadest set of family history records possible. During 2008 in Great Britain and Ireland, 5,060,000 new images of significant family history records were captured and negotiations of new contracts and re-negotiations of existing contracts secured digital and internet rights for 25,000,000 records.

Other activities completed during the year were:-

- Participated in the "Who Do You Think You Are?" live event at Olympia in London.
- Continued the migration of Family History Centres from the *Family Records Extraction* programme to the programme *FamilySearch*.
- Recruited and trained 15 volunteers (Church service missionaries) to work in Area FamilySearch Support – an online and phone helpdesk.
- Worked with local ecclesiastical leaders to increase the number of ward and branches of the Church with registered Family history consultants from 59% to 84%.

**The Church of Jesus Christ of Latter-day Saints (Great Britain)**

**Report of the trustees for the year ended 31<sup>st</sup> December 2008 (continued)**

**Achievements and performance (continued)**

- Imaged and replaced 19 Family history centre personal computers and installed three new digital imaging systems.

**Work in the community**

During 2008 the charity undertook three major community initiatives:-

- FamilySearch on the Road

This programme operated in the first half of 2008 in Church meetinghouses in 19 separate locations throughout Great Britain and Ireland. At each location an exhibit was set up consisting of a large screen television and internet connections which allowed visitors to access various websites and to search for details of their ancestors using census, parish records and probate records.

Admission was free and at each location around 300 visitors attended over the four days of the exhibition giving an overall attendance of all exhibitions of approximately 6,000. The exhibitions were staffed by 380 volunteers contributing 1,500 hours of service. The overall travel expenses for the exhibitions were £21,486.

- Weathering the storms of life

This professionally produced exhibition, which was funded by donations and no cost to the charity, was produced between February and December. This is another four-day exhibition that will tour Great Britain and Ireland during 2009 and will be staged in Church meetinghouses or other donated local venues. The aim of the exhibit is to increase community awareness of the need for wise decision making during periods of financial downturn or natural disaster.

Local community organisation will be invited to participate and guidance will be given on financial management, emergency response to natural disaster, CPR training, etc. The first exhibition was staged in Leeds in November 2008 and the programme of exhibitions will begin in earnest in January 2009. No travel expenses were incurred during 2008.

- Mormon helping hands

Each year the Church designates a national day for the Mormon helping hands initiative. In 2008, Saturday 28<sup>th</sup> June was the chosen day for this activity.

Local ecclesiastical stake leaders (equivalent to a bishop in the Church of England) are encouraged to select a service project that will make a worthwhile contribution to their local community. On the selected day, 39 service projects were undertaken involving 6,322 volunteers, predominantly Church members, who collectively donated 27,048 hours of community service.

**The Church of Jesus Christ of Latter-day Saints (Great Britain)**

**Report of the trustees for the year ended 31<sup>st</sup> December 2008 (continued)**

**Achievements and performance (continued)**

The range of service projects undertaken included community garden make-over, clearing weeds from churchyards and community areas, litter picking, work on children's play areas, renovations on community buildings, repairing and painting fences, etc.

**Financial results**

Each year the trustees carry out a detailed review of each department of the charity. They review the previous year's achievements and review and approve the budgets for next year.

The end of the year saw an excellent financial result based on strong financial management. Costs were maintained within budget. There was, as expected, an increase in the total resources expended. The costs increased from £31,403,000 in 2007 to £33,458,000 in 2008. This was primarily due to a grant expense during the year to its sister company, The Ireland Association of the Church of Jesus Christ of Latter-day Saints, of £2,112,864 (for further details see the Ireland Association accounts). In addition there were inflationary factors which drove costs higher.

Incoming resources saw a significant decrease from £38,480,000 in 2007 to £33,431,000 in 2008. This was primarily due to the absence of donation income from the parent company within the GB company and the transfer of all Irish assets, liabilities, income and expenditure to the Ireland Association.

The other incoming resources were donations from church members (£31,327,000), investment interest income (£774,000) and other income (£1,330,000). In addition there were certain restricting economic pressures due to the recessionary times that affected the economy as a whole.

Resources expended exceeded incoming resources for the year by £5,814,000 after taking into account the actuarial loss on the defined benefit pension scheme of £7,410,000.

**Investment powers and policy**

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees deem to be in the best interests of the charity.

The charity's objective is to maintain high liquidity while ensuring maximum security and achieving the highest possible return.

To achieve this objective, the charity invested £7 million in fixed-term deposit accounts with high security rating from periods of one month to three months and achieved an average rate of 5.72% gross during 2008.

**Reserves policy**

The trustees have established the level of reserves (that is those funds that are freely available) that the charity ought to have ready access to. Reserves are needed to bridge any funding gap between

**The Church of Jesus Christ of Latter-day Saints (Great Britain)**

**Report of the trustees for the year ended 31<sup>st</sup> December 2008 (continued)**

**Financial results (continued)**

spending and receiving resources through shareholder grants and member donations. The trustees' policy is to hold, as a minimum, the equivalent of approximately 12 months turnover in reserves.

The actual reserves at 31 December 2008 were £261,635,000 which is significantly above our target. This significant figure is largely due to the conversion of inter-company debt to grant income that took place in prior years as directed by the parent company.

In calculating reserves, the trustees have excluded from total funds the restricted income funds of £4,471,000. It is the trustees' view that it is prudent to ensure that there are sufficient reserves to provide financial flexibility.

The reserves policy is reviewed on an annual basis.

**Plans for the future**

**Buildings**

We will continue to review the criteria for deciding when to build new buildings and whether innovative building techniques can achieve cost reductions in contract procurement and construction.

During 2009 it is planned that the Congleton new meetinghouse project will be completed in July (£1,716,000) and before year end the replacement Runcorn meetinghouse will be completed (£2,000,000).

No site purchases are planned for 2009.

**Religious materials**

We will continue to supply religious materials to members and others.

**Missionary work**

Sufficient budget funds will be allocated to ensure the continued growth of the Church and the number of annual convert baptisms.

**Family history**

In line with the aim to deliver more records to more people faster, Family history will continue the role out of an on-line microfilm ordering service in Great Britain and Ireland. In addition, local ecclesiastical leaders will be encouraged to identify individuals who can be trained as additional volunteers in the FamilySearch indexing programme.

For the third consecutive year, Family history will participate in the national family history fair, "Who Do You Think You Are?" at Olympia in London.

**The Church of Jesus Christ of Latter-day Saints (Great Britain)**

**Report of the trustees for the year ended 31<sup>st</sup> December 2008 (continued)**

**Plans for the future (continued)**

Work in the community

Working through the public affairs department, the charity will continue its efforts in 2009 to:-

- Increase public awareness and understanding of the Church, its doctrine and family values.
- Enhance the credibility and relevance of the Church in the community.
- Whenever necessary, counter inaccurate perceptions and ignorance.

This will be achieved by establishing the voice of the Church on family issues through continuing the initiatives of "Weathering the Storms of Life" and "Family Values Awards" programme. The national "Mormons Helping Hands" will be held in June 2009.

**Trustees' responsibilities in relation to Annual Report and the financial statements**

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of its surplus or deficit for that period.

In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make sound judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary .

The trustees confirm that they have complied with the above requirements in preparing the financial statements.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with the Companies Act 1985. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**The Church of Jesus Christ of Latter-day Saints (Great Britain)**

**Report of the trustees for the year ended 31<sup>st</sup> December 2008 (continued)**

**Statement on disclosure of information to the auditors**

In the case of each of the persons who are trustees at the time when the report is approved under section 234ZA the following applies:

- So far as each trustee is aware, there is no relevant information of which the charity's auditors are unaware; and
- He has taken all steps that ought to have been taken as a trustee in order to make himself aware of any relevant information and to establish that the charity's auditors are aware of that information.

**Independent Auditors**

PricewaterhouseCoopers LLP are to be re-appointed as auditors to the charity for the coming year.



On behalf of the trustees

Gregory William Reeves

Trustee and Chairman

23 October 2009

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)  
for the year ended 31 December 2008**

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We have audited the financial statements of The Church of Jesus Christ of Latter-day Saints (Great Britain) for the year ended 31 December 2008 which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement, the accounting policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

The responsibilities of the trustees (who are also the directors of The Church of Jesus Christ of Latter-day Saints (Great Britain) for the purposes of company law) for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the charitable company's members as a body in accordance with section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Trustees' Report and all other information listed on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)  
for the year ended 31 December 2008**

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**BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the charitable company's circumstances consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

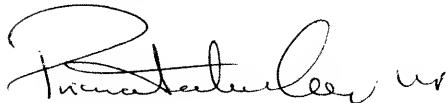
**OPINION**

In our opinion:

\* the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs at 31 December 2008 and of its incoming resources and application of resources, including its income and expenditure and cash flows for the year then ended;

\* the financial statements have been properly prepared in accordance with the Companies Act 1985; and

\* the information given in the Trustees' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
East Midlands



**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**  
**Statement of financial activities (including income & expenditure account)**  
**for the year ended 31 December 2008**

	Note	Unrestricted Funds £'000	Restricted Funds (Note 7) £'000	Total funds 2008 £'000	Total funds 2007 £'000
<b>Incoming resources</b>					
<i><b>Incoming resources from generated funds:</b></i>					
<i><b>Voluntary income:</b></i>					
Donations	1	28,389	2,938	31,327	32,466
Donation from parent company	17	-	-	-	4,202
<i><b>Investment income</b></i>					
Interest receivable	11	774	-	774	776
		29,163	2,938	32,101	37,444
<i><b>Other incoming resources</b></i>					
Other operating income		560	-	560	236
Other finance income		770	-	770	800
		1,330	-	1,330	1,036
<b>Total incoming resources</b>		<b>30,493</b>	<b>2,938</b>	<b>33,431</b>	<b>38,480</b>
<b>Resources expended</b>					
Charitable activities	2a	30,007	3,071	33,078	30,763
Loss on disposal of tangible fixed assets	4	325	-	325	586
Governance costs	3	55	-	55	54
<b>Total resources expended</b>		<b>30,387</b>	<b>3,071</b>	<b>33,458</b>	<b>31,403</b>
<b>Net incoming/(outgoing) resources before recognised gains and losses</b>					
		106	(133)	(27)	7,077
Unrealised gain on translation		1,623	-	1,623	564
Actuarial (loss)/gain on defined benefit scheme	19	(7,410)	-	(7,410)	2,493
<b>Net (expenditure)/income for the year</b>		<b>(5,681)</b>	<b>(133)</b>	<b>(5,814)</b>	<b>10,134</b>
<b>Total funds brought forward</b>		<b>267,316</b>	<b>4,604</b>	<b>271,920</b>	<b>261,786</b>
<b>Total funds carried forward</b>		<b>261,635</b>	<b>4,471</b>	<b>266,106</b>	<b>271,920</b>

None of the charity's activities were acquired or discontinued during the above two financial years.

There is no difference between the results above and the unmodified historical cost equivalents for the years.

The statement of financial activities includes all gains and losses recognised in the years.

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

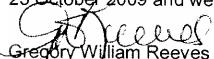
**Balance Sheet**

**as at 31 December 2008**

	Note	2008 £'000	2007 £'000
<b>FIXED ASSETS</b>			
Tangible assets	9	<u>267,383</u>	<u>258,443</u>
<b>CURRENT ASSETS</b>			
Debtors	10	2,923	7,072
Cash at bank and in hand		2,076	1,136
Investments	11	7,001	11,937
		<u>12,000</u>	<u>20,145</u>
<b>LIABILITIES</b>			
<b>CREDITORS</b>			
Amounts falling due within one year	12	<u>(1,907)</u>	<u>(1,448)</u>
<b>NET CURRENT ASSETS</b>		<u>10,093</u>	<u>18,697</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>277,476</u>	<u>277,140</u>
Net assets excluding net pension (liability)/asset		<u>277,476</u>	<u>277,140</u>
<b>Defined benefit pension scheme (liability)/asset</b>	19	<u>(1,370)</u>	<u>4,780</u>
Net assets including pension (liability)/asset		<u>276,106</u>	<u>281,920</u>
<b>The funds of the charity:</b>			
Restricted income funds	8	<u>4,471</u>	<u>4,604</u>
Unrestricted income funds:			
Called up share capital	13	<u>10,000</u>	<u>10,000</u>
Unrestricted income		<u>263,005</u>	<u>262,536</u>
Unrestricted income funds excluding pension (deficit)/reserve		<u>273,005</u>	<u>272,536</u>
Pension (deficit)/reserve	19	<u>(1,370)</u>	<u>4,780</u>
Total unrestricted funds		<u>271,635</u>	<u>277,316</u>
Total charity funds	14	<u>276,106</u>	<u>281,920</u>

The notes on pages 20 to 30 form part of these accounts.

The financial statements on pages 15 to 30 were approved by the board of trustees on 23 October 2009 and were signed on its behalf by:

  
Gregory William Reeves - trustee

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

**Cash flow statement**

**for the year ended 31 December 2008**

	Note	2008 £'000	2007 £'000
<b>Reconciliation of operating surplus to net cash inflow from operating activities</b>			
Operating surplus	15a	670	2,239
Depreciation		6,635	6,735
Decrease/(Increase) in debtors		4,149	(4,154)
Increase in creditors		459	149
Movement in translation on fixed assets		(1,634)	(423)
Transfer of fixed assets to Ireland Association		44	-
		<hr/>	<hr/>
Net cash inflow from operating activities		10,323	4,546
		<hr/>	<hr/>
	Note	2008 £'000	2007 £'000
Net cash inflow from operating activities		10,323	4,546
Returns on investments and servicing of finance	15b	774	776
Capital expenditure	15c	(14,310)	(9,258)
Investment in Trustco	15b (i)	(1)	-
Management of liquid resources	15d	4,937	(1,665)
Financing:			
(Payments to)/receipts from parent company	15a	(783)	4,202
Increase/(decrease) in cash		940	(1,399)
		<hr/>	<hr/>
<b>Reconciliation of net cash flow to movement in net funds</b>			
	Note	2008 £'000	2007 £'000
Increase/(decrease) in cash in the year		940	(1,399)
Net funds at 1st January		1,136	2,535
Net funds at 31st December	15e	2,076	1,136
		<hr/>	<hr/>

# **THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

## **Accounting policies**

**for the year ended 31 December 2008**

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The financial statements are prepared in accordance with applicable accounting standards in the United Kingdom and in accordance with the Statement of Recommended Practice (SORP), Accounting and Reporting for Charities 2005. A summary of the significant accounting policies which have been applied consistently, except for FRS 17, are:

### **BASIS OF ACCOUNTING**

The financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985.

### **FRS 18**

The trustees have reviewed the accounting policies and confirmed that they are the most applicable.

### **INCOMING RESOURCES**

Donations represent amounts collected from United Kingdom members on a receivable basis, together with income tax recoverable for amounts paid under Deed of Covenant and Gift Aid.

Deferred income relates to advance payments for certain regional activities held by the company.

Periodically further donations are received from the company's parent company, The Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints, to provide funds for the company's charitable activities and to ensure that the company has adequate reserves. These donations may be received by way of cash or partial cancellation of amounts due to the parent company. These donations are separately disclosed in the statement of financial activities and income and expenditure account.

### **RESOURCES EXPENDED**

Resources expended comprises expenditure on charitable activities and governance costs. Costs are either specifically identified or apportioned on an appropriate basis between charitable activities and governance costs of the charity.

Charitable activities expenditure comprises the direct costs related to the achievement of the charitable objectives and an analysis of these costs are provided in note 2.

Governance costs are those costs that relate to activities which provide the governance infrastructure which allows the charity to operate and to generate the information required for public accountability. They include the strategic planning processes that contribute to future development of the charity. A breakdown is provided in note 3 and specifically comprises the legal advice to trustees, external audit costs and costs associated with constitutional and statutory requirements.

Expenditure is recognised on an accruals basis.

### **INVESTMENTS**

Investment income is recognised on an accruals basis.

### **LIABILITIES**

Future liabilities are recognised when the charity has a legal or constructive financial obligation, that can be reliably estimated and for which there is an expectation that payment will be made.

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

**Accounting policies (continued)**

**for the year ended 31 December 2008**

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**TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Individual fixed assets costing £5,000 or more are capitalised at cost. Depreciation is provided on all tangible fixed assets other than freehold land and assets in the course of construction at rates calculated to write down each asset to its estimated residual value evenly over its expected useful life, as follows:

Freehold buildings	over 50 years
Land improvements	over 50 years
Plant and equipment	over 10 years
Motor vehicles	over 4 years

Where appropriate provision has been made for impairment in the value of tangible fixed assets.

**OPERATING LEASES**

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the lease term.

**FOREIGN CURRENCY TRANSLATION**

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income and expenditure account.

**PENSION COSTS**

The company operates a defined benefit pension scheme, which is contracted out of the state scheme. Pension costs are accounted for under Financial Reporting Standard (FRS) 17. The disclosures required by Financial Reporting Standard (FRS) 17 are included in the notes to the financial statements (see note 19). During the year the charity adopted the amendment to FRS 17. The effect of this is disclosed in note 19.

The net assets under the defined benefit pension scheme are included in the balance sheet. Current and past service costs are charged to operating profit, the expected return on pension scheme assets, net of interest costs and pension liabilities are included within other finance income and actuarial gains and losses are included on the face of the statement of financial activities.

**FUND ACCOUNTING**

General funds are unrestricted funds which are available for use at the discretion of the trustees in accordance with the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the accounts (see note 8).

**EXCEPTIONAL ITEMS**

Exceptional items are defined as items that are, either by their nature or size, material to the accounts and are unusual in the normal course of the charity's activities.

**EXCHANGE GAINS AND LOSSES**

Gains and losses due to exchange rate movements arise from two main areas. Firstly, gains and losses arise from the charity using standardised monthly internal exchange rates compared with actual currency translation rates. Where there is a difference between the two, the difference is recorded as an exchange gain or loss. This reported loss has no impact on the level of resources available for programs. Secondly, fluctuations arise in the sterling value of assets and liabilities, mainly foreign currency bank account balances, held during the year and at the year end. Such fluctuations are included as an exchange gain or loss.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

Notes to the financial statements  
for the year ended 31 December 2008

1 Restricted income	2008 £'000	2007 £'000
Missionary support fund	795	860
Book of Mormon fund	44	45
Fast offering fund	1,500	1,485
Temples construction fund	64	62
Humanitarian aid fund	453	322
Youth conferences	82	270
	<b>2,938</b>	<b>3,044</b>

2a Analysis of charitable activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2008 £'000	Total 2007 £'000
Provision of worship facilities	21,065	83	21,148	20,458
Religious education	4,348	330	4,678	4,107
Missionary work	417	1,044	1,461	1,519
Genealogy work	3,890	7	3,897	3,134
Community projects	287	1,607	1,894	1,545
	<b>30,007</b>	<b>3,071</b>	<b>33,078</b>	<b>30,763</b>

2b Charitable activities allocation

Activity	Activities Directly £'000	Support Costs £'000	Total £'000
Provision of worship facilities	9,611	11,537	21,148
Religious education	1,070	3,608	4,678
Missionary work	1,115	346	1,461
Genealogy work	669	3,228	3,897
Community projects	1,656	238	1,894
Total	14,121	18,957	33,078

2c Support costs allocation

Support cost	Provision of worship facilities £'000	Religious Education £'000	Missionary Work £'000	Genealogy Work £'000	Community Projects £'000	Total £'000	Basis of Allocation
Staff costs	3,565	2,624	251	2,346	174	8,960	Department
Travel	563	414	40	370	27	1,414	Wage costs
General administration	664	489	47	440	32	1,672	Wage costs
Materials and supplies	110	81	8	72	5	276	Wage costs
Depreciation	6,635	-	-	-	-	6,635	Buildings
Total	11,537	3,608	346	3,228	238	18,957	

The staff costs are allocated on the basis of the department in which the particular employees work. Travel, general administration, materials and supplies and grant expense are allocated on a pro-rata basis with the wages costs as these support costs relate to all charitable activities. Depreciation only relates to the charitable activity of providing worship facilities.

3 Governance costs	2008 £'000	2007 £'000
Audit fees	31	30
Accounting	17	16
Tax consultancy	7	8
	<b>55</b>	<b>54</b>

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

**Notes to the financial statements (continued)**

**for the year ended 31 December 2008**

**4 Net (expenditure)/income for the year**

	<b>2008</b> £'000	<b>2007</b> £'000
Net (expenditure)/income is stated after charging/(crediting):		<b>As restated</b>
Operational leases (land and buildings)	859	882
Depreciation	6,635	6,735
Auditors remuneration - PricewaterhouseCoopers	31	30
Loss on disposal of fixed assets	(243)	(19)
Loss on write off of fixed assets	(82)	(567)

**5 Employees**

	<b>2008</b> No.	<b>2007</b> No.
The average monthly number of persons (including directors) employed by the company during the year was:		
Teaching function	24	22
Office administration	163	175
Building cleaners	236	246
	423	443

	<b>2008</b> £'000	<b>2007</b> £'000
Staff costs for the above persons:		
Wages and salaries	7,696	7,457
Social security costs	585	583
Other pension costs (note 19)	678	952
	8,959	8,992

The number of employees whose emoluments fell within the following bands during the year were as follows:

	<b>2008</b> No.	<b>2007</b> No.
£70,001 - £80,000	7	8
£60,001 - £70,000	13	13

The number of employees whose emoluments were above £60,000 and who had benefits accruing under the defined benefit scheme were as follows:

	<b>2008</b> No.	<b>2007</b> No.
£70,001 - £80,000	7	8
£60,001 - £70,000	13	13

**TRUSTEES' REMUNERATION**

None of the trustees received any remuneration or reimbursements from the charity during the year (2007: none).

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

**Notes to the financial statements (continued)**

**for the year ended 31 December 2008**

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**6 Taxation**

The company is a registered charity and as such is entitled to certain tax exemptions on income and profits carried on in furtherance of the charity's primary objectives, if the profits and surpluses are applied solely for charitable purposes.

**7 Analysis of net assets between funds**

	<b>Unrestricted funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Total Funds £'000</b>
Tangible fixed assets	267,383	-	267,383
Current assets	7,529	4,471	12,000
Liabilities due under one year	(1,907)	-	(1,907)
	273,005	4,471	277,476

**8 Restricted income funds**

The capital and income funds of the charity include restricted funds comprising the following unexpended balances of donations held on trust to be applied for specific purposes.

	<b>Balance 31.12.07</b>	<b>Transfer to Ireland Association</b>	<b>Incoming resources</b>	<b>Expenditure &amp; transfers</b>	<b>Balance 31.12.08</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fast Offering fund	725	(83)	1,500	(1,481)	661
Missionary support fund	1,873	(248)	795	(934)	1,486
Book of Mormon fund	45	(7)	44	(44)	38
Temple Construction fund	61	(7)	64	(59)	59
Humanitarian Aid fund	1,271	(21)	453	(12)	1,691
Youth Conferences	500	-	82	(82)	500
Public Affairs	129	-	-	(93)	36
	4,604	(366)	2,938	(2,705)	4,471

**Fast offering fund**

These funds are contributed by members of the Church to be used in the relief of the poor and needy. During the year £1,481,000 was spent for the relief of the poor and needy not only in the United Kingdom and Ireland but also other countries in Europe and in Africa.

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**  
**Notes to the financial statements (continued)**  
**for the year ended 31 December 2008**

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**8 Restricted funds (continued)**

**Missionary support fund**

The missionary support fund represents donations from members in the United Kingdom and Ireland towards the costs of the Church's worldwide missionary fund programme which is co-ordinated and administered by the parent company, The Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints. During each year, funds are transferred to the parent company as authorised by the trustees. Funds authorised for specified missionaries are released evenly over their mission term of either 18 months or two years. The balance unexpended at the year end represents funds authorised but not yet transferred in respect of specified serving missionaries and funds reserved for future missionaries.

**Book of Mormon fund**

These funds are donated by the members towards the production and distribution costs of 'The Book of Mormon - Another Testament of Jesus Christ'. This book is printed by The Church of Jesus Christ of Latter-day Saints. The balance of these funds at 31 December 2008 was transferred immediately after the year end to The Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints.

**Temple construction fund**

These funds are donated by the members towards the cost of constructing temples by The Church of Jesus Christ of Latter-day Saints in any country throughout the world. The balance of these funds at 31 December 2008 was transferred immediately after the year end to The Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints.

**Humanitarian aid fund**

These funds are donated by the members to help fund the programme of Humanitarian Aid approved by The Church of Jesus Christ of Latter-day Saints. The amount expended in 2008 was in respect of projects in the United Kingdom and Ireland.

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

**Notes to the financial statements (continued)**

**for the year ended 31 December 2008**

**8 Tangible assets**

	<b>Assets in the course of construction</b> £'000	<b>Land and Buildings</b> £'000	<b>Plant &amp; Equipment</b> £'000	<b>Motor Vehicles</b> £'000	<b>Total</b> £'000
<b>Cost:</b>					
1st January 2008	14,564	309,569	2,414	3,074	329,621
Transfers	(10,343)	10,343	-	-	-
Opening Adjustment	-	-	-	36	36
Exchange movement	10	1,918	-	-	1,928
Additions	14,024	-	81	614	14,719
Disposals	-	(840)	-	(572)	(1,412)
Transferred to Ireland Association	(4)	(226)	(4)	-	(234)
31st December 2008	18,251	320,764	2,491	3,152	344,658
<b>Accumulated depreciation:</b>					
1st January 2008	-	67,568	1,660	1,950	71,178
Opening adjustment	-	-	-	36	36
Exchange movement	-	294	-	-	294
Charge for Year	-	5,808	150	677	6,635
Disposals	-	(153)	-	(525)	(678)
Transferred to Ireland Association	-	(189)	(1)	-	(190)
31st December 2008	-	73,328	1,809	2,138	77,275
<b>Net book value:</b>					
31st December 2008	18,251	247,436	682	1,014	267,383
31st December 2007	14,564	242,001	754	1,124	258,443

The net book value of leases held over 50 years within land and buildings is £ 883,000 in 2008  
(2007: £883,000)

**10 Debtors**

	<b>2008</b> £'000	<b>2007</b> £'000
Due within one year:		
Deposits and advances	78	82
Other debtors	-	43
Prepayments and accrued income	2,845	6,947
	<u>2,923</u>	<u>7,072</u>

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

**Notes to the financial statements (continued)**

**for the year ended 31 December 2008**

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**11 Investments**

All investment income arises from interest bearing deposit accounts. These are short term high interest accounts. In addition an investment was made in Deseret U.K. Trustco unlimited during the year.

	<b>2008</b> £'000	<b>2007</b> £'000
Fixed term deposit accounts	7,000	11,937
Deseret U.K. Trustco unlimited	1	-
	<hr/>	<hr/>
	7,001	11,937
	<hr/>	<hr/>

The trustees consider the value of the investments to be supported by the company's underlying assets.

**12 Creditors: Amounts falling due within one year**

	<b>2008</b> £'000	<b>2007</b> £'000
Other taxation and social security costs	144	147
Other creditors	1,610	1,181
Deferred income	153	120
	<hr/>	<hr/>
	1,907	1,448
	<hr/>	<hr/>

Deferred income is further analysed as follows:

	<b>2008</b> £'000	<b>2007</b> £'000
Opening balance	120	163
Utilised in year	(120)	(163)
Accrued during year	153	120
Closing balance	153	120
	<hr/>	<hr/>

**13 Called up share capital**

	<b>2008</b> £'000	<b>2007</b> £'000
Authorised:		
25 million ordinary shares of £1 each	25,000	25,000
Allotted, issued and fully paid:		
10 million ordinary shares of £1 each	10,000	10,000

**14 Reconciliation of movements in total shareholders' funds**

	<b>2008</b> £'000	<b>2007</b> £'000
Net (deficit)/surplus in funds for the year	(27)	7,077
Actuarial gain/(loss) on pension scheme (note 19)	(7,410)	2,493
Unrealised gain on translation	1,623	564
	<hr/>	<hr/>
Net change in total shareholders' funds	(5,814)	10,134
Opening shareholders' funds	281,920	271,786
Closing shareholders' funds	276,106	281,920

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

**Notes to the financial statements (continued)**

for the year ended 31 December 2008

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**15 Notes to the cash flow statement**

	2008 £'000	2007 £'000	
a Operating surplus			
Net incoming/outgoing resources before other recognised gains and losses	(5,814)	10,134	
Interest received and other finance income	(1,544)	(1,576)	
Loss on disposal of tangible fixed assets	325	586	
Difference between pension charge and cash contributions	(490)	(210)	
Forgiven parent company receivable/(payable) balance	783	(4,202)	
Actuarial loss/(gain)	7,410	(2,493)	
Operating surplus	<u>670</u>	<u>2,239</u>	
b Returns on investments and servicing of finance			
Interest received	<u>774</u>	<u>768</u>	
b(i) Investment in Trustco	<u>(1)</u>	<u>-</u>	
c Capital expenditure			
Payments to acquire tangible fixed assets	(14,719)	(9,627)	
Receipts from sales of tangible fixed assets	409	369	
	<u>(14,310)</u>	<u>(9,258)</u>	
d Management of liquid resources			
Fixed term deposits reduction/(increase)	<u>4,937</u>	<u>(1,665)</u>	
e Analysis of changes in net funds			
	At 01.1.08 £'000	Cash flows £'000	At 31.12.08 £'000
Cash at bank and in hand	<u>1,136</u>	<u>940</u>	<u>2,076</u>
	<u>1,136</u>	<u>940</u>	<u>2,076</u>

**16 Capital commitments**

	2008 £'000	2007 £'000
Capital expenditure authorised by the directors but not contracted for	<u>10,327</u>	<u>9,083</u>
Capital expenditure authorised by the directors and contracted for	<u>6,819</u>	<u>13,455</u>

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

**Notes to the financial statements (continued)**

**for the year ended 31 December 2008**

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**17 Related party transactions and ultimate holding company**

The company is owned solely by the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints (the parent company and controlling party), a company incorporated in the state of Utah, United States of America. Assurances of continued financial support have been received from the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day

All Inter-company balances between the company and its parent company are transferred to the statement of financial activities as a grant expense or grant income depending on whether it is a debit or credit balance. At 31 December 2008 the balance owing to the company was £782,891 and this amount was transferred to grant expense (2007; Grant income of £4,202,386).

During the year the company acted as agent of the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints in the transfer of funds to and from other Church entities throughout the world. Balances arising from those transactions are dealt with as entries on behalf of the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints, and not as debtors and creditors of the company.

In addition, the company acts as an agent of the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints in meeting certain costs of the Church's worldwide missionary programme in the United Kingdom and Ireland. These transactions are dealt with as entries on behalf of the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints and not as expenditure of the company.

During the year the company contracted with another fellow subsidiary The Church of Jesus Christ of Latter-day Saints (Welfare) for it to carry out construction of church buildings on the company's behalf. The value of this work in the year was £478,000 (2007: £1,006,000).

**18 Commitments under operating leases**

At 31 December 2008 the company had annual commitments under non-cancellable operating leases which relate to the lease of building facilities used for worship purposes. These are set out below:

	<b>2008</b>	<b>2007</b>
	£'000	£'000
In less than one year	96	180
In two to five years	21	-
In more than five years	<u>340</u>	<u>339</u>

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

**Notes to the financial statements (continued)**

for the year ended 31 December 2008

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**19 Pension and other post-employment commitments**

In conjunction with The Church of Jesus Christ of Latter-day Saints (Welfare) Limited and The Church of Jesus Christ of Latter-day Saints (European Distribution) Limited, the Company operates a defined benefits plan, the Deseret UK benefitPlan ("the Plan") which was approved under Chapter 1 Part XIV of the Income and Corporation Taxes Act 1988. The Plan is contracted out of the State Second Pension.

The assets of the Plan are held separately from the assets of the Company. The most recent triennial valuation, using the projected unit basis, as at 31 December 2005, showed that the value of the Plan's assets was 97% of the value of the benefit accrued to members after allowing for future increases to earnings. The market value of the Plan's assets was £31,992,000, excluding money purchase additional voluntary contributions (AVCs). The following assumptions were adopted for the above valuation:

Investment return (before retirement)	6.50% pa
Investment return (after retirement)	4.00% pa
Average Salary Increases	4.30% pa
Retail price inflation	2.80% pa
Pension Increases (post 04/1997)	2.75% pa
Increases to pensions in deferment	3.40% pa

In order to produce the 2008 disclosures required under FRS17 a full valuation, as at 31 December 2008, has been updated, by an independent qualified actuary, using the assumptions as shown below:

	31 December 2008	31 December 2007	31 December 2006
Price inflation	3.30% pa	3.40% pa	3.00% pa
Discount rate	6.10% pa	5.90% pa	5.10% pa
Increases in payment (post 04/1997 to 04/2006)	3.20% pa	3.30% pa	2.90% pa
Pensionable salary increases	4.80% pa	4.90% pa	4.40% pa

The mortality assumptions used were as follows:

	31 December 2008	31 December 2007	31 December 2006
Longevity at age 65 for current pensioners:			
- Men	22.1	21.9	20.1
- Women	24.5	24.8	23.0
Longevity at age 65 for future pensioners:			
- Men	22.1	21.9	21.7
- Women	24.5	24.8	24.5

During the year the Company adopted the amendment to FRS 17. As a result of this, quotes securities held as plan assets are now valued at bid price rather than mid-market value. Asset values prior to 2008 have not been restated on bid value as the effect of this change had no significant impact on the valuation of plan assets at 31 December 2007.

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

**Notes to the financial statements (continued)**

for the year ended 31 December 2008

**19 Pension and other post employment commitments (continued)**

On this basis, the balance sheet figures required under FRS17 are as follows:

	31 December 2008		31 December 2007		31 December 2006	
	Expected long-term return	Value £millions	Expected long-term return	Value £millions	Expected long-term return	Value £millions
Equities	7.35% pa	23.88	7.50% pa	32.72	7.40% pa	30.86
Bonds	5.42% pa	6.11	4.75% pa	3.85	4.80% pa	3.57
Cash and other	2.00% pa	2.79	5.00% pa	2.35	4.50% pa	0.28
Property	6.85% pa	0.47	7.00% pa	0.65	6.90% pa	1.42
Insured pensions	1.00% pa	0.34	N/A	-	N/A	-
Total market value of assets		33.59		39.57		36.13
Present value of Plan liabilities		34.96		34.79		34.86
Plan surplus		(1.37)		4.78		1.27

**Reconciliation of present value of scheme liabilities**

	31 December 2008 £millions	31 December 2007 £millions
Opening defined benefit obligation	34.79	34.86
Service cost	1.04	1.09
Contributions by members	0.36	0.34
Interest cost	2.06	1.79
Actuarial losses (gains)	(2.51)	(2.40)
Benefits paid	(1.10)	(0.89)
Insured pension adjustment	0.32	-
Closing defined benefit obligation	34.96	34.79

**Reconciliation of the fair value of scheme assets**

	31 December 2008 £millions	31 December 2007 £millions
Opening fair value of scheme assets	39.57	36.13
Expected return	2.83	2.59
Actuarial gains (losses)	(9.92)	0.10
Contributions by employer	1.53	1.30
Contribution by members	0.36	0.34
Benefits paid	(1.10)	(0.89)
Insured pension adjustment	0.32	-
Closing fair value of scheme assets	33.59	39.57

The actual return on plan assets was a loss of £7.09 million for 2008 (2007: Gain of £2.69 million). The value of the plan assets is volatile. The asset value disclosed is at a point in time and will have moved since the year end.

**Analysis of amount (charged)/credited to net income**

	31 December 2008 £millions	31 December 2007 £millions
Current service cost	1.04	1.09
Expected return on pension Plan assets	(2.83)	(2.59)
Interest on pension Plan liabilities	2.06	1.79
Net return	0.27	0.29

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

**Notes to the financial statements (continued)**

**for the year ended 31 December 2008**

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**19 Pension and other post employment commitments (continued)**

The rate of contributions payable by the Company is determined by an independent qualified actuary on the basis of triennial funding valuations. Contributions paid by the Company to the Plan during the year ended 31 December 2008 amounted to £1.53 million. Contributions exclude employee contributions contributions of £360,000 (2007: £340,000). 2009 contributions are expected to be inline.

**Movement in (deficit)/surplus during the year**

	31 December 2008 £millions	31 December 2007 £millions
Surplus in Plan at beginning of the year	4.78	1.27
Movement in the year: Current service cost	(1.04)	(1.09)
Contributions	1.53	1.30
Other finance income	0.77	0.80
Actuarial (loss)/gain	<u>(7.41)</u>	<u>2.50</u>
(Deficit)/surplus in plan at end of the year	<u>(1.37)</u>	<u>4.78</u>

**Analysis of amount recognised in statement of total recognised gains and losses**

	31 December 2008 £millions	31 December 2007 £millions
Actual return less expected return on pension Plan assets	(9.92)	0.10
Experience gains and losses arising on Plan liabilities	1.03	-
Changes in assumptions underlying the present value of the Plan liabilities	<u>1.48</u>	<u>2.40</u>
Actuarial (loss)/gain recognised in the statement of total recognised gains and losses	<u>(7.41)</u>	<u>2.50</u>

The cumulative actuarial loss as at 31 December 2008 is £7,480,000 (2007: loss of £70,000)

**Amounts for current and previous four periods**

Year ending 31 December (£millions)	2008	2007	2006	2005	2004
Defined benefit obligation	(34.96)	(34.79)	(34.86)	(30.17)	(27.01)
Scheme assets	33.59	39.57	36.13	31.97	16.35
Surplus / (deficit)	(1.37)	4.78	1.27	-	-
Experience adjustments on scheme liabilities	1.03	-	(1.40)	1.51	(0.49)
Experience adjustments on scheme assets	(9.92)	0.10	1.66	1.85	0.53

**20 Post Balance Sheet events**

With effect from 1 January 2008 activities carried on in the Republic of Ireland began reporting through The Ireland Association of the Church of Jesus Christ of Latter-day Saints Limited ("The Irish Association"), a sister company registered in the Republic of Ireland. Any assets and liabilities in relation to the Republic of Ireland activities, which remained as part of The Church of Jesus Christ of Latter-day Saints (Great Britain) as at 31 December 2008, are in the process of being transferred to The Ireland Association during 2009.

At a trustees' meeting held on 7 May 2009, a decision was approved to agree to the transfer of the United Kingdom operations of the Church of Jesus Christ of latter-day Saints (European Distribution) Limited to The Church of Jesus Christ of Latter-day Saints (Great Britain). As a result the transfer has begun to take effect and continues to progress during 2009.